

## **Informal Working Draft and Request for Informal Comments on Consumer Choice Benefit Plan Disclosure Rules**

Texas Administrative Code, Title 28, Chapter 21, Subchapter AA

Posting date: July 1, 2020

Comments due: July 15, 2020

---

The Texas Department of Insurance (TDI) has prepared an informal working draft of rules and forms relating to the disclosure statement required for consumer choice benefit plans. TDI is seeking comments on an informal working draft that would:

- remove the requirement that carriers get consumer signatures on disclosure statements at renewal of a policy or contract;
- update the elements of the disclosure statement, making the statement easier to read and understand;
- streamline the required written disclosure and the affirmation that the health carrier also offered the consumer a health plan containing the state-mandated levels of benefits into one document;
- reframe the record retention requirement to ensure retention of the signed disclosure statements;
- repeal policy notice requirements from the rules that repeat those already found in statute; and
- eliminate some of the annual data reporting requirements and update the form associated with that reporting.

TDI specifically requests input regarding how best to ensure that consumers are sufficiently informed about any modifications made to state-mandated benefits in their existing plans at renewal. Insurance Code Section 1507.006 requires disclosure forms to include a description of each benefit not contained at the state-mandated level in the plan. If a state-mandated benefit is modified on renewal, the renewal disclosure statement will not be the same as the one the consumer signed with the initial purchase. Removing the requirement to sign the disclosure on renewal was meant to eliminate the administrative costs of securing a signature on the same document year after year, but efforts must still be made to ensure consumers understand the benefits not contained in their consumer choice plan. TDI invites input on which of the following options best addresses this issue:

- requiring health carriers to request a signature on disclosure statements when there is a material change to the state-mandated benefits on renewal (proposed language included in the draft as Section 21.3530(f)) or
- requiring health carriers to include a large, bold notice on the disclosure statement stating that the benefits are different than they were at the initial purchase (proposed language included in the draft as Section 21.3530(a)(4)).

Both options are included in the informal working draft of the rules, but TDI intends for only one to be included in the final rule.

TDI invites your input on the informal working draft of these rules and the associated forms. This is an informal posting intended to gather comments from stakeholders and the general public and is not a formal publication for rulemaking.

The comment period for this informal working draft will close at 5:00 p.m., Central time, on July 15, 2020. Submit comments to the Life and Health Lines Office at [lhcomments@tdi.texas.gov](mailto:lhcomments@tdi.texas.gov). If you have any questions about this informal draft, you may contact Judy Wooten in the Life and Health Lines Office at 512-676-6675.

[Informal Draft of Rules](#)

[Form CCP1](#)

[Form CCP2](#)